

# PORTMIAMI<sup>TM</sup>

FOREIGN TRADE ZONE No. 281

## OPEN FOR BUSINESS

PortMiami is an oceanfront port with only 2.5 miles from buoy to dock which reduces and improves turn-around times. The Port offers significant opportunities to save money and time.

- -50 foot channel (2014)
- On-dock intermodal rail service (2013)
- Direct highway access via tunnel (2014)
- Super Post-Panamax Cranes
- Convenient customs service

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*Delivering Excellence Every Day*

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### GRANT OF AUTHORITY

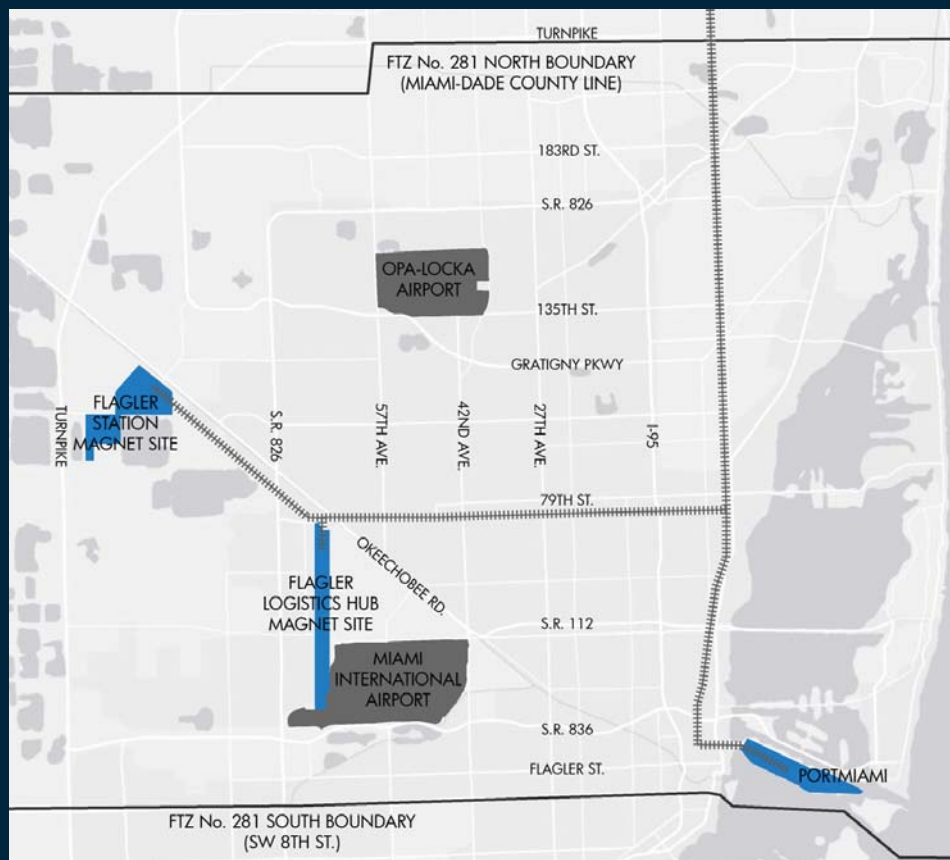
The U.S. Department of Commerce has granted Miami-Dade County the authority to establish Foreign Trade Zone No. 281 that stretches north from Southwest Eighth Street to the Broward County Line. The new zone will be among the nation's first to operate under the new Alternative Site Framework's streamlined process.

Miami-Dade County is aware of the limited access to FTZ services and as a public agency has become a Grantee in the best interest of the community.

### WHAT IS A FOREIGN TRADE ZONE?

The purpose of an FTZ is to "expedite and encourage foreign commerce". FTZ sites are considered to be outside of the U.S. Customs territory - although physically in the U.S. - for purposes of payment of duty. Companies that operate in foreign trade zones can defer, reduce or eliminate Customs duties:

- **Defer:** A product is imported to an FTZ site, held for a designated amount of time, and then transported within the U.S.
- **Reduce:** Various products are imported to an FTZ site, these products are combined to make one finished product which is then exported or transported within the U.S.
- **Eliminate:** A product is imported to an FTZ site and then exported.



Map of FTZ No. 281 service area with major transportation terminals

*Miami-Dade County has over 150 million square feet of warehouse/distribution space*

### ALTERNATIVE SITE FRAMEWORK

The Alternative Site Framework is a new expedited process for Zone Sites applying for FTZ status. This process front-loads 90% of the leg work, reducing paperwork and time, making it flexible for users, focused (for oversight purposes), and predictable. A simplified Minor Boundary Modification is used to designate future sites within 30 days.

The goal of the Alternative Site Framework process is to improve the Grantees' ability to bring competitive benefits of FTZs to a broad range of companies.

### MIAMI-DADE COUNTY TRADE FACTS

Miami-Dade County represents the center of a highly active and unusual Customs District. On a per capita basis, the Miami-Customs District ranks near the top of all U.S. Customs Districts in international trade as measured by value.

This County exports 1.5 times the value of imports. On average, the ratio is the inverse in other parts of the U.S., usually importing 1.5 times the value of exports.

The County has an enormous per capita warehouse space compared to that of other communities (150 million SF). Much of this is accounted for by a particular type of re-export trade perfectly suited for FTZs.

Miami-Dade County is commonly referred to as the "shopping cart of the Americas". Warehouses serve as the principal suppliers of many industrial and consumer goods for the Caribbean, Central America and parts of South America.

Despite the natural marriage of Miami's international trading pattern with the benefits of FTZs, we are greatly underrepresented in terms of FTZ sites and square footage.

### FTZ COST SAVINGS (SAMPLE)

Annual Dollar Volume of Imports	\$50,000,000
Average inventory turnovers per year	4
Average duty rate of foreign goods	10%
Average duty rate for finished products	7.5%
Percent Re-Exported	10%
Waste/Scrap/Engineering Changes	5%
Interest Rate	10%
Average Entry Cost	\$100
Number of Entries filed per year	2,000

Estimated Savings	
Duty Deferral	\$125,000
Duty Reduction	\$1,250,000
Duty Elimination	\$750,000

Weekly Entry Savings	\$194,800
Total Estimated Yearly Savings	\$2,319,800

*Above calculations are intended to demonstrate an example of potential cost savings and do not represent actual values.*

### ADVANTAGES OF FTZ NO. 281

An FTZ creates jobs and investment in the U.S. through tax savings. FTZs benefits Import/Exporters, Warehouse operators, Manufacturers, and 3rd party logistics providers. FTZ No. 281 is setup to operate as a public utility with fair and reasonable rates and charge for all zone services and privileges.

FTZ No. 281 can maximize Miami-Dade County's international trade advantages, which include:

- More than 100 international consulates, trade office, and binational chambers of commerce.
- Convenient, direct air service from Miami International Airport to all major destinations in Latin America and the Caribbean.
- The ability to ship goods efficiently anywhere in the world through PortMiami.
- An excellent business climate for international trade, including availability of a skilled workforce as well as job growth incentives.